

FEDERAL UTILITY PARTNERSHIP WORKING GROUP MEETING

MAY 3-4, 2006

ATLANTA, GEORGIA

INTRODUCTION

The Federal Utility Partnership Working Group (FUPWG) held its Spring 2006 meeting in Atlanta, Georgia, on May 3-4. A total of 77 individuals attended the meeting. Participants included officials from Federal Energy Management Program (FEMP) representatives, other Federal agencies, national laboratories, the utility industry, and representatives from energy-related organizations. The working group is a joint effort between FEMP and the utility industry to stimulate the exchange of information among participants and foster energy efficiency projects in Federal facilities nationwide. The Spring 2006 FUPWG meeting was hosted by Atlanta Gas and Light.

The agenda included the following presentations:

- Utility Welcome
- FEMP Welcome
- Washington Update
- Networking Break
- Navy Techval Program Update
- Southeast Army UESC Activity
- Networking Session: Facilitated Group Discussion
- UESC Success Story: AGL Resources and Federal Partnerships
- Breakout Session Update: South Dakota and Oklahoma City
- UESC Development Update
- Federal Utility Partnerships on Metering
- Working Session: FEMP Model Agreement and Enabling Document

All presentations are available on the FEMP web site at
http://eeredev.nrel.gov/femp/financing/uescs_fupwgmeetings.cfm

May 3, 2006

WELCOME

David McAndrew is FEMP's Utility Program and FUPWG Manager, served as moderator for this event. Mr. McAndrew greeted participants and welcomed them to Atlanta. He introduced **Suzanne Sitherwood** of Atlanta Gas and Light, Chattanooga Gas, and Florida City Gas, to provide a welcome from the host utility. Following her introduction, Mr. McAndrew and Ms. Traci Leath provided a welcome.

Traci Leath of the Department of Energy's (DOE) Southeast Regional Office, also welcomed participants to Atlanta. Ms. Leath provided an overview of FEMP and its role in DOE, and explained her role in the FEMP office. Currently, Ms. Leath provides research support and technical assistance through the EnergyStar® and Leadership in Energy and Environmental Design (LEED) programs. She also leads DOE's Energy Savings Expert Teams (ESET), which work with Federal sites to reduce natural gas consumption. Her primary goal is to improve outreach and communication within her team and throughout DOE.

WASHINGTON UPDATE

David McAndrew provided participants with an update on FEMP activities and confirmed that the six DOE Regional Offices will close this year. He also provided an overview of *EPACT 2005* provisions relating to Federal facilities, focusing on opportunities for utilities in 2006. Provisions highlighted by Mr. McAndrew include:

- Section 102: Energy Management Goals
 - Annual reduction of 2 percent per year from FY2006 to FY2015
 - Reporting baseline changes from 1985 to 2003
- Section 103: Energy Use Measurement and Accountability
- Section 203: Federal Purchase Requirements (Renewables)
- Section 1252: Smart Metering

Following the discussion on *EPACT 2005*, Mr. McAndrew announced that Mr. Andrew Karsner was recently confirmed as DOE's new Assistant Secretary for Energy Efficiency and Renewable Energy. Mr. Karsner is looking for ways to expand project financing for Federal facilities, including a role for FUPWG. This prompted a discussion among participants on how FEMP is encouraging utility projects in Federal facilities specifically with respect to:

- FUPWG
- UESC Training
- FEMP Energy Solutions Center Combined Heat and Power Workshops

- ESET Assessments
- Automated Demand Response Pilot Projects
- Demand-Response Workshops
-

NAVY ENERGY TECHVAL

Paul Kistler of the Naval Facilities Engineering Service Center in Port Hueneme, California, presented information on the Navy Technology Validation (Techval) Monitoring Results. Following a brief explanation of the Techval program, Mr. Kistler listed the technologies that Techval is currently working on or has worked on in the past, which include:

- Internal Storm Windows
- Day Lighting
- Vending Machine Power Control
- Airfield Light-Emitting Diode (LED) Lighting
- Variable Speed Drive (VSD) Chillers
- Photo Luminescent Exit Signs

Mr. Kistler also described three current projects:

- Turbocor compressor (an energy efficient compressor)
- Thermal Stratifier (a system that moves warm air to the ground, thereby reducing heating bills)
- Cool Roofs.

His data revealed that energy savings at each location is a result of energy efficiency modifications. He listed overall environmental improvements as a result of these modifications and provided examples of how his team successfully addressed barriers or challenges to project implementation.

SOUTHEAST ARMY UESC ACTIVITY

Steve Jackson of the U.S. Army spoke briefly on his agency's interest in focusing this year on implementing UESC projects. Mr. Jackson's office is not currently active in this area; however, is interested in initiating energy efficiency projects using UESC's with FUPWG support. He provided his contact

information and asked that if any of the participants were interested in partnering on an energy efficiency project, to contact him. He is interested in learning more about UESC contracts and how the Army can benefit from this financing option.

NETWORKING SESSION: FACILITATED GROUP DISCUSSION

FUPWG participants have consistently identified in meeting discussions and evaluation responses, that the networking opportunities provided by FUPWG is the primary reason for attending working group meetings. As a result, a networking session was added to FUPWG meetings, beginning in 2005. Networking provides FUPWG members with additional opportunities to create project partnerships between Federal agencies, utilities, and energy organizations.

Networking sessions involve dividing participants into multiple groups of 7-10 participants per group; each team is predetermined in order to ensure diversity among the discussion groups (e.g. a contracting officer, energy manager, Federal official, and utility official in one group). Each group is led by a FUPWG Steering Committee member who moderates a discussion on current events, potential new FUPWG activities, and ideas for enhancing FUPWG meetings. Highlights of the Spring 2006 FUPWG networking discussion include:

EPACT 2005

- How will *EPACT 2005* goals and other requirements influence decisions at your facility/agency/utility?
- Will the bill's tax incentives be helpful? Will incentives promote UESCs?

Metering

- Can *EPACT 2005* metering requirements be integrated into UESCs?
- If a utility offers metering service to its customers, will the rate structure change? Are there any solutions to increasing rates?

Performance Assurance

- Are there any examples of projects that have performance assurance other than stipulated savings?
- Is there a significant increase in costs for monitoring and verification?
- Is there persistence in savings for these projects?

Contracting Vehicles

- What are the concerns associated with Areawide Contracts and Basic Ordering Agreements (BOA)?
- What can be done to help contracting staff better understand UESCs?

Appendix A provides a list Spring 2006 FUPWG participants.

UESC SUCCESS STORY: AGL RESOURCES

Joe Hoyt is a Senior Account Manager at AGL, and host of the Spring 2006 FUPWG meeting. He highlighted his company's efforts to introduce UESC projects at five (5) institutions. AGL Resources is made up of Florida City Gas, Atlanta Gas and Light, Chattanooga Gas, Elkton Gas, Virginia Natural Gas, and Elizabethtown Gas. The AGL service area spans the east coast from New Jersey to Florida, and also includes Tennessee. Federal projects include three military facilities and two civilian facilities.

Fort Gordon (Atlanta Gas Light Company)

- Installed new boilers at 68 buildings for domestic hot water usage during the summer of 2005. Subsequently tied in boiler controls to the base wide control system.
- Upgraded lighting in 46 buildings to T-8 fixtures with electronic ballast.
- Upgraded lighting at 4 baseball fields with new programmable controls.

Norfolk Naval Station - NNS (Virginia Natural Gas)

- Met with NNS personnel in March 2006.
- Received "Preliminary Notice to Proceed" in April 2006.
- Established goal for the next five months: collect data and analyze, report, review, and submit a final report to NNS.

Fort Eustis (Virginia Natural Gas)

- Met with Fort Eustis personnel April 2006.
- Developing a scope of work.

Langley Research Center (Virginia Natural Gas)

- Met with center personnel April 2006.
- Currently in the early stages of developing a scope of work.
- Currently assisting in rate analysis.

Kennedy Space Center (Florida City Gas)

- Actively working with the KSC Energy Working Group.
- Establishing additional UESC options for KSC.

BREAKOUT SESSION UPDATE: SOUTH DAKOTA AND OKLAHOMA CITY

Deb Beattie of the National Renewable Energy Laboratory provided an update on the status of action items resulting from the Spring and Fall 2005 breakout sessions, which focused on the UESC Enabling documents and model agreement. Activities completed since the Fall 2005 meeting include:

- The Utility Page on the FEMP web site was updated to include relevant FUPWG materials, resources, and information.
- A “Utility Program Partners” page is under construction on the FEMP web site, which will show contact information and the services of participating utilities.
- FUPWG members provided FEMP with input on the report, *Electric Metering in Federal Buildings*.
- UESC Enabling Documents are currently under review by the FUPWG Steering Committee. Items being assessed include the model agreement, sample documents, metering guidance, and risk and responsibility.
- Numerous *Utility Model Agreements* are being prepared by attendees.
- FEMP will conduct Utility Energy Service Contract Workshops during the summer of 2006 (for more information, go to http://www.eere.energy.gov/femp/services/cfm/training_schedule.cfm)

UESC DEVELOPMENT UPDATE

David McAndrew provided the group with a brief update on UESC developments by referencing various charts prepared by **Kate McMordie**

Stoughton of the Pacific Northwest National Laboratory. Mr. McAndrew highlighted how investments in UESCs remained stable throughout 2005, with a slow increase beginning in January 2006. This increase will be reconsidered at the end of the fiscal year when total awards can be accounted for. Mr. McAndrew emphasized, via the charts, how there has been a drop in GSA Areawide and Basic Ordering Agreements (BOA) and an increase in site-specific agreements, but noted that GSA Areawide and BOAs dominate overall. He also illustrated where UESCs are being implemented in the United States. The Western and Southeast regions are the predominant users of UESCs because of the overall activity in California and the existence of large, active military sites in the Southeast. This may suggest that the major “players” are DOD and GSA, but other civilian agencies have used this project financing mechanism as well.

May 4, 2006

FEDERAL UTILITY PARTNERSHIPS ON METERING

Karen Thomas of the National Renewable Energy Laboratory moderated the session on metering, which resulted in a general discussion among participants on the new *EPACT* metering guidance. Participants also discussed collaboration with Federal agencies. Panelists included:

- **Dave Hunt**, Pacific Northwest National Laboratory
- **Steve Sain**, Sain Engineering
- **Paul Kelley**, Robins Air Force Base
- **David Dykes**, Southern Company

Mr. Hunt reviewed *EPACT 2005*, Section 103 requirements for Energy Use Measurement and Accountability. This provision provides Federal agencies with guidance on what and how and includes a deadline of October 1, 2012 to comply with this provision. In response to the requirements, FEMP developed a metering guidance document, established agency planning workshops, and designed a metering training course. A *Metering Best Practices Guide* will be published in FY 2007. Mr. Hunt also addressed pending issues associated with *EPACT 2005*, such as funding and practicality, as well as the potential role for utilities. These questions prompted a dialogue with the audience. He concluded his remarks with a list of resources that may be of use to the participants (see below).

- *Guidance for Electric Metering in Federal Buildings:*
http://www.eere.energy.gov/femp/pdfs/adv_metering.pdf

- *DOD Instruction 4170.11 – Installation Energy Management:*
http://www.dtic.mil/whs/directives/corres/pdf/i417011_112205/i417011p.pdf
- *DOD Energy Manager's Handbook:*
http://www.acq.osd.mil/ie/irm/irm_library/DoD%20Energy%20Manager%20Handbook%20Aug%202005.doc

Mr. Sain provided an overview of NASA's utility program. NASA implemented an agency-wide response to *EPACT 2005*, which includes the metering of all energy utilities and potable water. To accomplish this, Mr. Sain electronically surveyed NASA's 17 sites and provided on-site assessments of three sites in order to determine metering standards, cost, and estimates for an implementation plan. As of this writing, a metering policy is still under development.

Mr. Kelley and Mr. Dykes described Robins Air Force Base's (RAFB) metering program. RAFB established metering as a priority in order to control electricity use and to address demand control. The project was initiated in 1993, but had limited impact due to funding issues. However, *EPACT 2005* brought the issue to the attention of RAFB managers who reconsidered facility metering by establishing updated goals and program funding. Mr. Kelley described RAFB's process for implementing its metering program, which included cost, commodities metered, data collection processes, and the variation in accuracy between metering and standard formula pricing. As a result of RAFB's metering program, the base saves approximately \$750,000 per year in electricity costs.

WORKING SESSION: FEMP MODEL AGREEMENT AND ENABLING DOCUMENT

The purpose of this session was to solicit participant feedback and advice on FEMP's resources for Utility Energy Service Contract (UESC) in order to assist FUPWG membership in improving UESC project-development tools. Prior to the Spring 2006 FUPWG meeting, **Julia Kelley** of Oak Ridge National Laboratory asked registrants to provide recommendations for FEMP's UESC program and to attend the meeting prepared to discuss their ideas.

Suggested reading materials were sent to all participants in advance of the spring meeting by **Jennifer Folta Teitelbaum** of Energetics and included: 1) *Utility Energy Services Contracts: Enabling Documents*, (which contains a collection of applicable legislative, legal, and agency documents designed to assist agencies in making informed decisions concerning UESCs. The document also includes the model agreement, legislative opinions, lessons learned, and other resources), and 2) a sample UESC case study, completed by NASA. Refer to the attached for copies of both documents

Questions asked during the working session included:

- Who has used the Enabling Documents, the model agreement, case studies, or other resources? Why or why not?
- Does anyone have suggestions for additional case studies or improvements in the content or format of existing case studies?
- What, if any, key additions/enhancements to the Enabling Documents would help move UESCs through legal and contract hurdles? What would help influence upper management agency decision makers and contracting officers?
- If FEMP could implement only some of these recommendations, what would be your priorities? What options are most important or helpful?
- Are there any key outdated sections of the Enabling Documents that need to be re-worked, anything that should be deleted, or any actual errors that need to be corrected?
- Can you recommend any enhancements to make the document easier to use?
- Are there any volunteers to serve on a review committee as revisions are updated?

Ms. Kelley is in the process of compiling participant recommendations, comments, and new ideas discussed at this session. A final document will be distributed to the membership in June.

The meeting adjourned at approximately 11:30 am on Thursday, May 4.

Appendix A: Networking Session Group Assignments -- Facilitators

Atlanta FUPWG Meeting

May 3-4, 2006

Steering Committee members in bold

Participant	Group Number
Jennifer Folta Teitelbaum	1
Stephan Baker	1
Deb Beattie	1
Joseph Bonnin	1
Barbara Brown	1
Mike Fleming	1
Omer McCants	1
Frank Napoli	1
Sheila Terry	1
Ed Anderson	2
Linda Collins	2
Vicky Culp	2
David Dykes	2
Scott Foster	2
David Guebert	2
Dave Hunt	2
Steve Jackson	2
Richard Rodriguez	2
Joe Bosco	3
Norm Campbell	3
Rea Carlos	3
Millard Carr	3
Doug Dixon	3
Brian Hercules	3
Ed Johnson	3
Gary Marchbanks	3
David McAndrew	3
Bud Clark	4
Tom Dixon	4
Gordon Drawer	4
Joe Hoyt	4
Julia Kelley	4
Paul Kistler	4
Ted Kozak	4
Virgil Ostrander	4
Dean Yobs	4
Thomas Cunningham	5
Mark Eliser	5

Participant	Group Number
Kevin Johnson	5
Traci Leath	5
Kate McMordie	5
Pierre Mouravieff	5
Gary Sanchez	5
Ron Shaw	5
Rafael Zayas	5
David Kiebler	6
David Koch	6
Stacy Kramer	6
Steve Sain	6
Michael Savena	6
Bill Stermer	6
Edward Thibodo	6
Karen Thomas	6
Ray Whitley, Jr.	6
Bill Eisele	7
Grey Medinger	7
Chuck Miller	7
Marcia Park	7
Michael Philo	7
Beth Shearer	7
Phil Smith	7
Franz Stuppard	7
Ming Truong	7